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AIR

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Chief of Station, Karlsruhe

11 July 1960

Chief, Foreign Division M

Attn: C

Operational
USAGE

1. The analysis of USAGS reports has continued since MONY-0871 was written, and in general the impressions set forth in the latter memorandum are still valid. In brief, the reports have proved to be of little value here, and instead of filling in the intelligence picture in Austria are making it more confusing and will eventually create a bottleneck in our reports channels. USAGS reports contain much worthless material, a great deal of information taken from overt sources such as the press, and many allegations which are not substantiated. These reports are competing with sound intelligence the processing of which is neglected or at least delayed because of the time and effort required to screen the USAGS reports and sift fact from rumor, covert from overt, etc. MONY-0871 emphasized the fact that the KPO reports are well padded and highly generalized, that the reports on Austrian internal affairs, although of interest to U. S. organizations in the area, were not of interest to us, that reporting on Hungarian migration added little to our knowledge, that there is little of value on Soviet activities in Austria, and that USAGS obviously has no sources outside Western Austria.

2. It is realized that USAGS has continued to operate as he did with OFFSHOOTING as far as targets and direction are concerned. UTILITY was primarily interested in coverage of the internal Austrian picture as was UNIA and the favorable reactions to the USAGS reports have influenced his continued and possibly expanded coverage of Austrian affairs.

3. It is now clear that if USAGS is to be of any importance to us he will require extremely close control, guidance and direction. His extensive network must be trimmed, his concept of intelligence reporting must at least be altered, the content and form of the reports must be improved, his sources must be given more specific targets, and the production of these sources must be carefully screened and evaluated. Only too frequently reporting such as that furnished by USAGS appears interesting and valuable at first sight but diminishes in importance upon careful examination. An important observation

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As this report was made by the source of NOVA-200 when in October 1947 he examined BIRNBAUM's potentialities. It must also be noted that "at first sight, his material looks promising" verification reports of secret Communist meetings lists of Russian and KPO agents, secret instructions to Communist agents, etc." but "on second glance, there are numerous contradictory items in his material and some obvious phantasies".

4. At the present time positive measures cannot be taken by ROA to give UNMOB specific direction and control but we should like your views on the following proposal. You may recall that when UNMOB did not approve your plan to employ translators for the translation of UNMOB's reports but requested your opinion of the possibility of retaining reports prior to their translation. The analysis of the reports here shows that the translation of each and every one of them is unnecessary and in many instances would be a waste of time, effort and money. It is our suggestion, therefore, that as soon as a report is submitted by UNMOB it be immediately studied by a reporter and/or one officer and the obvious deficiencies and discrepancies be called to UNMOB's attention, the believe that such spot checking and attention would be much more effective than if performed later. UNMOB himself would be informed without delay of the failings of his coverage and reporting resulting either in an improvement in his intelligence collection or allow the discontinuation of one of his sources. Furthermore, the on the spot screening would check the flow of materials submitted into reports should be or at least reports of little value would be so designated prior to arrival here.

5. Now in mind this is merely a suggestion on which we are asking your views and it is not intended that any action be taken on the matter until the Russian operation is concluded one way or the other.

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